Biodiversity

AkzoNobel biodiversity position statement

Biodiversity is becoming an increasingly important topic and companies have a role to play in protecting and supporting biodiversity and ecosystems. In this position statement, we dive into the various aspects of biodiversity that matter for AkzoNobel.

Summary

- At AkzoNobel, we're focused on ensuring that the pioneering paints and coatings we supply continue to protect what matters – both now and in the future. We innovate with and for customers and play a progressive and collaborative role in energizing entire industries to advance towards a more sustainable future
- In 2017, we committed to becoming a carbon neutral company by 2050. We translated this vision into action by setting aspirational, science-based targets in 2021. As well as aligning with the 1.5°C pathway, these targets will help drive innovation and collaboration with value chain partners, including customers and suppliers
- As a result of double materiality assessment, which is performed every three years and reviewed annually, biodiversity was not identified as a material topic. However, we did identify indirect material impacts, such as emissions and waste, which is where we can make the most impact regarding this topic
- Throughout this position paper, we've assessed biodiversity related to: 1) Our own operation. 2) Upstream with our suppliers. 3) Downstream with our product portfolio. 4) Our societal role.

Biodiversity in own operations

Biodiversity in own operations: Land use and key biodiversity areas

The land use of a paints and coatings factory is relatively small when compared with the footprint of other industries, such as extractives industries or the broader chemicals industry. In addition, based on the IUCN's Key biodiversity areas, none of our production sites are located in areas of significant biodiversity value.

Biodiversity in own operations: Waste and water management

We continue to promote a circular economy as part of our focus on reducing waste in our manufacturing processes, as well as reusing and recycling our obsolete materials. Our current ambition is to achieve 100% circular use of materials by 2030. However, in line with evolving regulatory frameworks, including the new European Sustainability Reporting Standards (ESRS), we plan to transition to a new metric – waste disposal intensity (WDI), defined as the amount of waste directed to disposal (in kilograms) divided by total production volume (in tons). The baseline year for this new metric is 2025 and the WDI will formally replace the existing ambition from 2026 onwards.

We have various waste management initiatives that focus on reducing waste directed to disposal, with an emphasis on recycling and reusing waste, while keeping the hierarchy of waste reduction in mind and avoiding landfill where possible. Overall, we've reduced waste to landfill by 78% (absolute) versus

the 2018 baseline and 75% of our manufacturing sites are now landfill free. For more information on our waste reduction initiatives, please see our latest annual report.
For water, we strive to reduce water use and encourage the reuse and recycling of water at all our manufacturing sites. Over the coming years, we intend to expand water consumption reduction efforts at our top ten water consuming sites in high water stress areas. We'll focus on further improving the efficiency of the equipment used for cleaning activities and increasing the reuse of process water within our manufacturing process.

More detailed metrics regarding water and waste are disclosed in our annual report. We also provide additional disclosures on marginal emissions on our website.

Our objective is to ensure that as we conduct our business activities, we prevent or minimize negative impacts on the environment. This is driven through the implementation of rigorous targets and programs using our ISO-certified HSE&S management system. More details are available in our HSE&S position statement, which can be read here.

Biodiversity in own operations: Carbon emissions
One of the indirect impacts of our Scope 1 and 2 carbon emissions is climate change, which has been shown to impact biodiversity[1]. In 2021, we announced an ambitious target of reducing carbon emissions across our full value chain by 50% by 2030, taking 2018 as our baseline. Our ambitions are aligned with the Paris Agreement, which aims to limit climate change and ensure that the global temperature doesn't rise more than 1.5˚C above pre-industrial levels. Our ambitions are approved by the Science Based Targets initiative (SBTi) and will help drive our innovation and collaboration with our value chain partners, including customers and suppliers.

Within our own operations, we're aiming to reduce our Scope 1 and 2 emissions through dedicated programs, with the key underlying ambition of moving to 100% renewable electricity by 2030. We're making good progress, with the Europe, North America and LATAM regions already operating at 100% renewable electricity

For detailed information on our approach to climate change, including Scope 1, 2 and 3, please see our position statement on climate change and our latest annual report.

Biodiversity in our upstream value chain: Suppliers
We monitor the sustainability performance, including biodiversity, of our suppliers through assessments carried out by EcoVadis and on-site audits via our Together for Sustainability (TfS) partnership. Suppliers in scope are based on country and/or category risk.

We also assess relevant suppliers through our Supplier Sustainability Balanced Scorecard. This is used to review the eco-efficiency performance of our suppliers on several KPIs, such as waste, energy and greenhouse gases. We invite our top suppliers who contribute to our Scope 3 upstream emissions to collaborate on our goals, in line with our science-based targets.

Biodiversity is part of our decision-making process in the transition to renewable (bio-based) materials.

Biodiversity in our downstream value chain: Product portfolio
Our sustainable product portfolio is largely aimed at reducing carbon footprint and waste, both of which have an indirect impact on biodiversity.

Through our priority substance management program, our R&D focuses on minimizing the impact of our products on the environment, as well as adverse health effects. This includes substituting substances

that have, or are suspected to have, a negative impact on the environment or on human health.

One example is our high-performing antifouling paints, which are essential in helping to reduce the fuel consumption of ships, preventing translocation of non-indigenous species and minimizing underwater hull cleaning. The direction of our marine fouling control coatings is increasingly moving towards biocide-free, low VOC and longer lasting, adding to the sustainability benefits of these products.

At the same time, we're actively monitoring the current debate around microplastics in the (marine) environment. Together with our industry partners, we participate in various studies, as there's a need for more research about the origin of microplastics and how we can best address concerns about the emission of microplastics to the environment. We continue to invest in developing longer lasting coatings and recycling programs, as well as educating our customers and the users of our products to minimize their impact (e.g. dry dock discipline, ensuring waste from maintenance and repair activity is appropriately collected and disposed of).

In the years to come, we expect the transition towards a circular economy will push companies – including AkzoNobel – to further innovate towards circular solutions.

Examples of making a positive impact on biodiversity via our societal role

At our Mauá site in Brazil, we've been restoring part of our 70 hectares (equivalent to around 100 soccer pitches) of rainforest to native woodland. This return to natural habitat offers benefits to both plant and animal life.

Various employee actions have also been organized at our sites around the world, such as planting trees and bee protection initiatives at our Sassenheim facility in the Netherlands.

In addition, we actively contribute to the societal debate on sustainability and support climate positive policies.

1. https://ec.europa.eu/research-and-innovation/en/horizon-magazine/nature-and-climate-crises-two-sides-same-coin